

09/539,132

Application No. 09/539,132  
Amendment Dated October 13, 2004  
Reply to Office Action of September 23, 2004

Please replace paragraph 2 beginning on page 33 with the following amended paragraph:

Turning to **Figures 9A and 9B**, the process for selling royalty escrow service contract futures is identical to the sale of basic service futures contracts ~~services contract futures~~ until the seller receives cash for the transaction and confirmation of the sale from the authorized intermediary (step **918**). In case of escrowed royalty service contract futures, the first seller and/or service provider will not receive the royalty. Royalty payments that result from the sale of service futures contracts ~~services contract futures~~ are held in escrow until the artisan's service has been performed. The artisan's royalty is based on the final sale price of the service contract. Therefore, a determination is made as to whether the royalty escrow service contract futures is resold (step **930**). If the contract future is not resold then the process proceeds to step **920** because the first sale is the final sale and the royalty has been computed and escrowed in step **918**. At step **920** the process then proceeds with determining the rightful owner of the service contract.

BSA 1-24-07  
Please replace paragraph 3 beginning on page <sup>34</sup>33 with the following amended paragraph:

Processing orders for service futures contracts ~~services contract futures~~ is normally performed every twenty-four hours, at the mark to market time. At that time all outstanding contracts are settled and the futures market is cleared. Commodities contracts are usually transferred to the cash market the beginning of the trading day prior to the deliver date. In so doing each commodity is trading in the cash market for approximately the same duration. Throughout the description of the present invention, the SerFEx must determine whether a services contract order is to be processed in the futures market or in the cash market. Unlike physical commodities futures, which usually ripen on a monthly basis, services contract may ripen at any time of the day or night. Ideally, switching a services contract from the futures market to the cash market